



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

NEWS RELEASE

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TENNESSEE ATTORNEY GENERAL GOES TO COURT TO STOP PRICE GOUGING

Tennessee Attorney General Paul G. Summers filed a motion in Hamilton County Court against a Chattanooga market for allegedly charging almost \$5 per gallon for gasoline. This is the first price gouging lawsuit that has been filed due to the aftermath of Hurricane Katrina.

"We, along with the District Attorneys, will sue anyone who participates in the shameful act of price-gouging in a time of disaster," Attorney General Summers said today. "It is incredible to think there are businesses operating in this state that would take advantage of people who are suffering through one of, if not the, worst disaster in American history. The message is going out today by the filing of this lawsuit, the State will not tolerate such senseless action."

The Attorney General filed suit today against the Tip Top Mart located at 5500 Ringgold Road in Chattanooga. The market is alleged to have violated the Tennessee Consumer Protection Act (unfair or deceptive trade practices) and the Tennessee Price-Gouging Act of 2002. The price-gouging act specifically cites "unreasonably raising prices or unreasonably restricting supplies or essential goods, commodities or services in direct response to a crime, act of terrorism, war or natural disaster," regardless of whether the event occurred in Tennessee. Penalties for violations of the act are up to \$1,000 per violation and are Class B misdemeanors.

Criminal charges could also be brought against violators according to James W. Kirby,

Director of the Tennessee District Attorneys General Conference. “District Attorneys across the state will review the cases individually and will seek the toughest punishment possible when criminal statutes have been violated.”

Meanwhile, because of the large number of calls coming in to the state, the Attorney General’s Office has set up an additional toll-free number to report potential price-gouging. That number is 1-800-890-8366. Consumers may also report suspicious price hikes at 1-800-342-8385 and 615-741-4737 or online at www.state.tn.us/consumer.

One of the effects of the devastating impact of Hurricane Katrina has been a constriction of the gasoline supply. As a result, many gas stations raised its prices for gasoline. Many gas stations across the state were reported to have raised prices to over \$3 per gallon Thursday.

“Individually, these situations are different,” Attorney General Summers said. “Because of this, our office is concerned with all price increases. We are aware that the wholesale price of gas has risen. However, I want to be clear to every gasoline merchant in the State of Tennessee -- under the law of this state and under the present circumstances, it is illegal to charge an unreasonable price for the gas you are pumping.”

Attorney General Summers has also joined fellow attorneys general from other states to look in to gasoline pricing. In addition, the Attorney General’s Office has written a letter to the Tennessee Hotel and Lodging Association warning its members not to engage in price gouging.

“To the extent some business owners may not have fully appreciated the consequences of price gouging, I urge them to make full refunds to consumers immediately,” General Summers wrote in the letter. “Voluntary restitution will be a factor my Office takes into consideration when taking civil enforcement action.”